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April 16, 2001

Honorable Philip N. Asprodites
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Unit Well at an Exceptional Location
James Formation, Reservoir A
James RA SUA
Converse Field
Sabine Parish, Louisiana
Our File No. 370306.0010

Dear Sir:

On behalf of PINNACLE OPERATING COMPANY, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the James Formation, Reservoir A, in the Converse Field, Sabine Parish, Louisiana:

1. To grant an exception to the well spacing provisions of Office of Conservation Order No. 501-B, effective February 1, 1975 to permit the Applicant to drill, designate and utilize a horizontal unit well in JAMES RA SUA, which unit is shown on the attached plat, in the Converse Field, Sabine Parish, Louisiana, at any location within such unit provided that:
 - a) the penetration point and terminus of any lateral of such horizontal well shall not be located closer than 330 feet to any unit boundary;
 - b) the average distance between the productive portion of any lateral of such well and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet; and
 - c) the distance from any point along the productive portion of any lateral of such well and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet.
2. To explicitly find that said unit well is in the interest of conservation and is necessary to economically and efficiently drain a portion of the hydrocarbons from the James

Formation, Reservoir A, underlying JAMES RA SUG, which cannot be drained by any existing well in such unit.

3. To consider such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The James Formation in the Converse Field, Sabine Parish, Louisiana, was previously defined in Office of Conservation Order No. 501-B, effective February 1, 1975.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data regarding this application will be made available for inspection at the offices of the undersigned at the above address. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached and a copy of this application, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons required by the Rules of Procedure. The Applicant will also arrange for mailing, posting and publication of the legal notice of this hearing in accordance with the Rules of Procedure.

A check in the amount of \$700.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III

ATTORNEYS FOR PINNACLE OPERATING
COMPANY, INC.

WTAlII:bp
Enclosures

- cc: Mr. James C. Broussard, Shreveport District Manager
Office of Conservation (w/enclosures)
- cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

